



City of Santa Barbara

City Council

ATTACHMENT 4

www.SantaBarbaraCA.gov

Marty Blum
Mayor

March 18, 2008

Dale Francisco
Council Member

Iya G. Falcone
Council Member

SBCAG Board of Directors
Supervisor Brooks Firestone, SBCAG Chair
260 North San Antonio Road, Suite B
Santa Barbara, CA 93110

Roger L. Horton
Council Member

RE: REGIONAL HOUSING NEEDS – March 20, 2008 - Item #10

Helene Schneider
Council Member

Dear Chair Firestone & SBCAG Board:

Grant House
Council Member

On March 20, 2008, the Santa Barbara County Association of Governments (SBCAG) will be considering a recommendation on how to allocate the regional housing need for the 2007- 2014 planning period. The City of Santa Barbara has concerns with the allocation process being recommended.

Das Williams
Council Member

Tel: 805.564.5318
Fax: 805.564.5475

City Hall
De La Guerra Plaza
PO Box 1990
Santa Barbara, CA
93102-1990

City of Santa Barbara Planning Staff actively participated on TPAC as the committee developed the recommended RHNA methodology. As we've expressed on the committee, we have major concerns with the significant regional land use policy "paradigm shift" that is reflected in the TPAC recommended RHNA methodology as well as the County's RHNA proposals. Attached to this letter is additional RHNA information, as well as pie charts that illustrate the significance and magnitude of the changes being proposed.

Simply put, the proposal before the SBCAG Board represents a major policy shift regarding land use and regional planning – especially in the South County. The 2008 TPAC proposal assigns 15% of the RHNA units to unincorporated areas and 85% to cities. The previous 2002 RHNA assigned 35% of the units to unincorporated areas throughout the County and 65% to cities. In principle, we support the shift of units to cities, but we question the magnitude of the shift from past policies and practices.

With respect to the South County, the City supports adjustments to the RHNA that shift more housing to the jobs-rich South County. Again however, we question the magnitude of the shift. In 2002, the South County was assigned 34% of the RHNA. The TPAC proposal increases the South County allocation to 47% of the countywide RHNA total.



March 18, 2008
Supervisor Brooks Firestone, SBCAG Chair
Page 2-

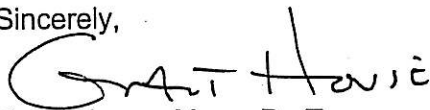
Our strongest objections involve how the TPAC-proposed RHNA is distributed among the South County jurisdictions – predominantly to the 3 cities (89%) and a very small proportion to the South County unincorporated areas (11%). In 2002, 80% of the units were assigned to cities and 20% to the unincorporated areas.

Since the 1970's, the City's General Plan, as well as the Impacts of Growth Study and numerous other studies, have recognized that the South Coast functions as one region, especially with respect to economic, environmental and cultural issues. It is clearly one market with respect to jobs and housing. Nearly every study has concluded that our problems are regional and merit regional solutions. The proposed TPAC methodology departs from such previous approaches and does not take into account how our region functions.

During the 2002 RHNA process, a critical consideration in assigning units was the local general and community plans. With the exception of the City of Goleta, no other jurisdiction was assigned a RHNA greater than the units allowed by local plans and policies. The 2008 TPAC proposal assigns the City of Santa Barbara a RHNA that is nearly 150% of the City's existing General Plan capacity. No other jurisdiction's RHNA comes close to 100% of local plans. Please see the final chart in the attachment for an illustration of this.

It is our hope that the SBCAG Board will take a close look at the magnitude and significance of the proposed shift in how the RHNA is being allocated. We strongly urge the SBCAG Board to modify the TPAC proposal to be more consistent with the past methodologies based on jurisdiction's accepting a fair share as well as regional solutions to the RHNA obligation or postpone action on it to allow more considered input.

Sincerely,

A handwritten signature in black ink, appearing to read "Grant House".

Grant House, Mayor ProTempore
City of Santa Barbara

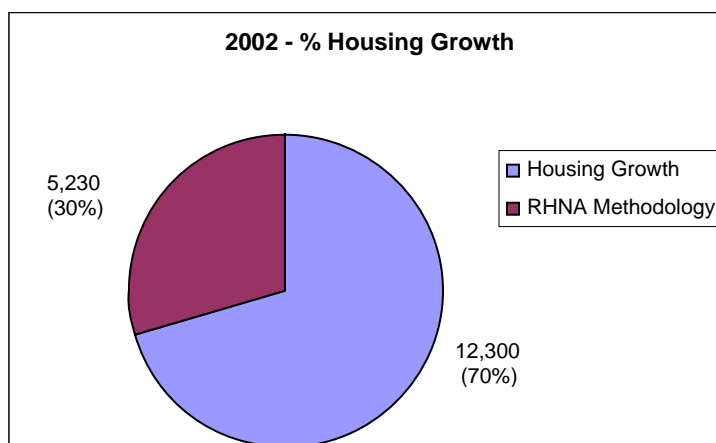
Attachment: 2008 RHNA PROCESS – Additional Information & Charts

Cc:
Mayor and Council
Jim Armstrong, City Administrator
Dave Gustafson, Acting Community Development Director

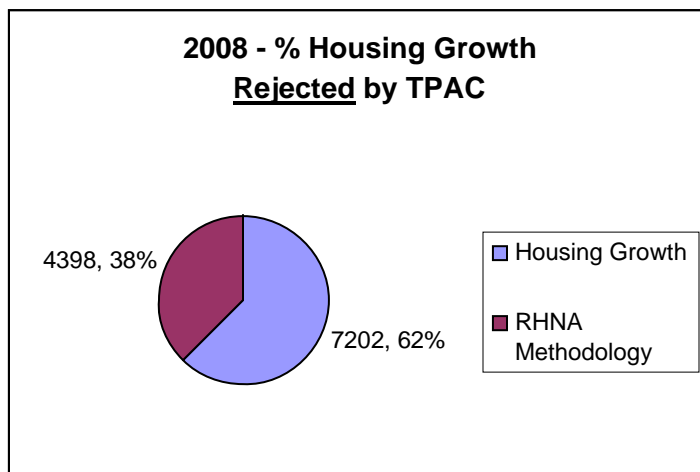
2008 RHNA PROCESS
Additional Information & Charts
City of Santa Barbara Planning Division
March 18, 2008

Housing Growth

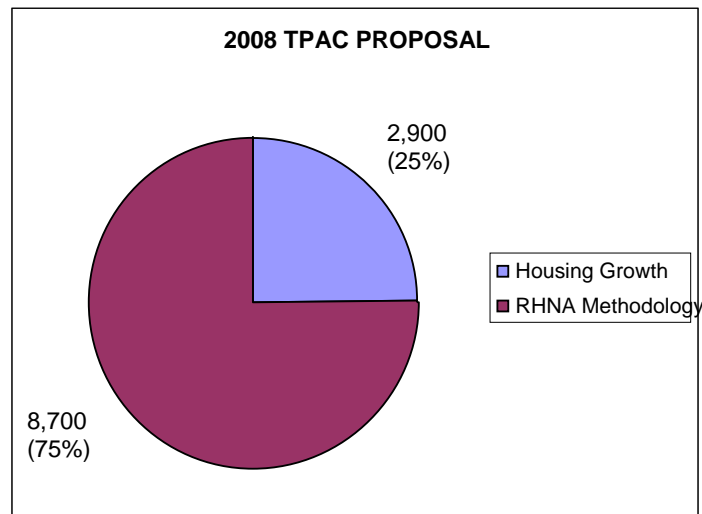
- The RHNA methodology proposed by the SBCAG Technical Planning Advisory Committee (TPAC) represents a significant change from all previous allocations. Historically, upon receiving the countywide RHNA from the State, Step 1 had always been to subtract out the housing growth. These are housing units that jurisdictions expect to be built over the next 7 years as reported in the Regional Growth Forecast (RGF). Then, the RHNA methodology was applied to the remaining units.
- In 2002, 70% of the countywide RHNA (12,300 units) was accounted for by development already anticipated and planned for in the Regional Growth Forecast and 30% on existing jobs.



- In 2008, RGF Housing growth could potentially account for 7,202 units of the countywide 11,600 RHNA.



- Many other areas in the State (5 out of 8 Council of Governments), base 100% of their RHNA distribution on housing growth.
- On January 23, 2008, TPAC rejected the Step 1 housing growth subtraction as “status quo” and unacceptable. Location of jobs was determined to be dominant factor (75%) for the RHNA methodology. Housing growth would account for only 25%.



Job Growth

- The recommended TPAC 2008 RHNA methodology shifted strongly to jobs and job growth based on the projections in the RGF.
- TPAC 2008 recommendation is based 75% on jobs (50% existing jobs, 25% job growth and 25% housing growth). The RHNA methodology is applied to the entire 11,600 units. County and City of Santa Barbara TPAC representatives voted against the recommendation for opposite reasons. The County representative said it was based too much on housing growth; the City representative said it was based too little on housing growth.
- The County proposal was even more jobs-focused. The County proposed a RHNA methodology based 90% on jobs (80% future jobs, 10% existing jobs, 10% future housing). On the South Coast, this proposal would result in 215 units allocated to the unincorporated areas, 287 for Carpinteria City, 1,400 for Goleta City and nearly 3,000 for the City of Santa Barbara.

- The Regional Growth Forecast includes some employment forecast estimates that need further review and analysis. For example, for the RHNA planning period (2007-2014):
 - City of Santa Barbara is projected to add **4,177** new jobs.
 - Unincorporated South Coast (including UCSB, Isla Vista, Montecito, East. Goleta Valley) is projected to add **161** over the same time period.
 - Carpinteria City – 383 new jobs
 - Goleta City - 1,940 new jobs
- For the 2005-2040 timeframe, the RGF projects the City to add **9,861** jobs. The County unincorporated areas add **382**.

Jobs / Housing Balance Ratio

- Applying a jobs/housing balance formula by political boundaries is not a productive way of looking at the actual circumstances on the South Coast.
- Based on a jobs/housing analysis that the County staff prepared (Feb 27th letter to TPAC), the County indicates that: "...there are jurisdictional differences that impact the demand for housing." The County also asserts that there **are significant housing deficiencies in cities but that the County unincorporated areas have an "overall surplus of 18,307 houses."** Table A of the County letter entitled "Housing Units Needed in Local Jurisdictions to House Workforce," contains the following information:
 - **City of Santa Barbara = 23,609 units**
 - City of Carpinteria = 1,097 units
 - City of Goleta = 9,211 units
 - **County unincorporated areas = 0 units**
- All previous RHNA allocations, the ECP Regional Growth Study, and the 1970's Impacts of Growth Study concluded that the South Coast is one geographic and economic region, especially with respect to housing and jobs.
- Given market demands, the cost of new housing on the South Coast is for the most part beyond the reach of the majority of the workforce. A RHNA methodology that directs 75% or more units to address job growth, and to presumably provide or meet workforce housing needs, is not practical. Only a small fraction of the new units would be affordable to workers.

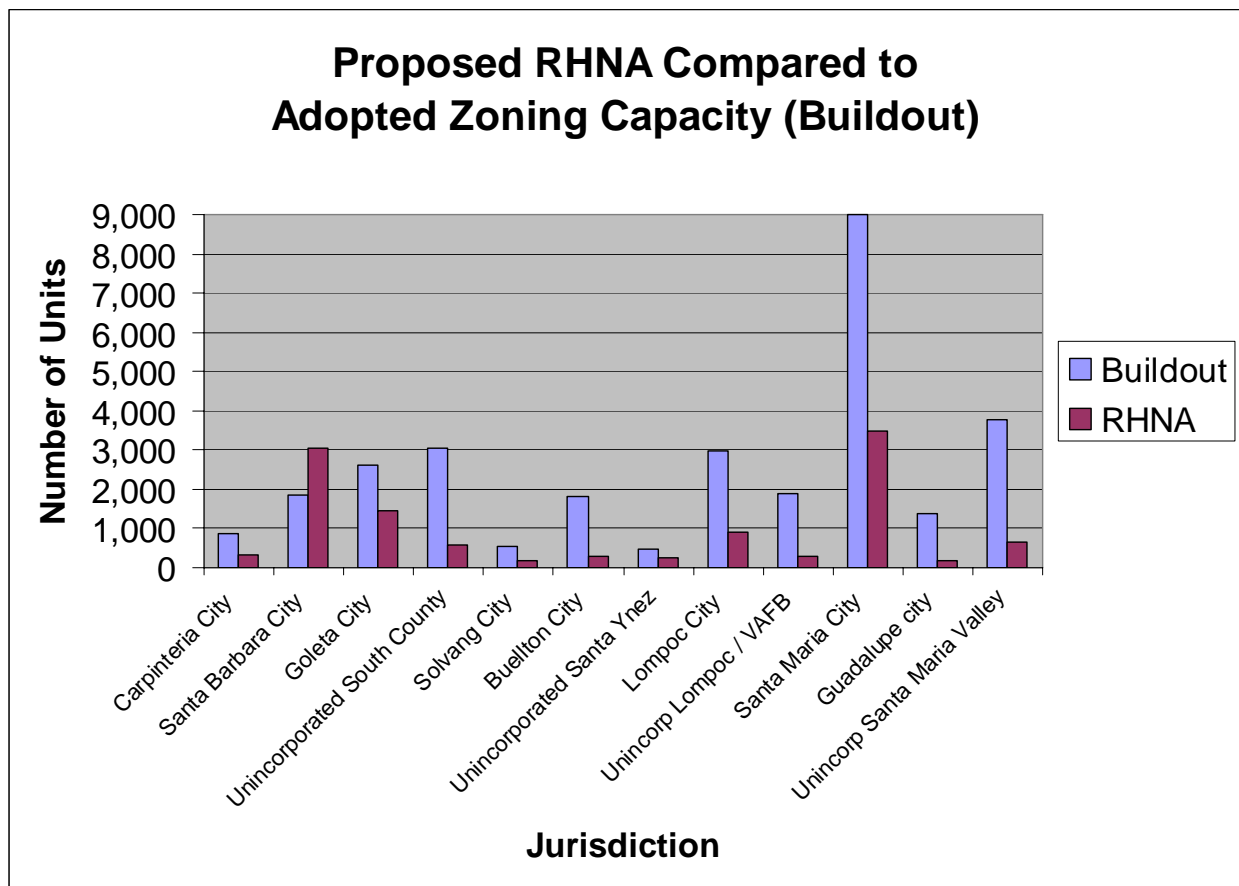
State Housing Law

- County staff has indicated that it believes that Housing Element law is an economic development plan to house workers and that the RHNA methodology should focus on that.
- City staff contends that State Housing Element law is based on providing housing for the State's growing population, with a focus on distributing the fair share of housing by type, tenure and affordability among jurisdictions in a region, including County areas. SBCAG staff has supported that interpretation.

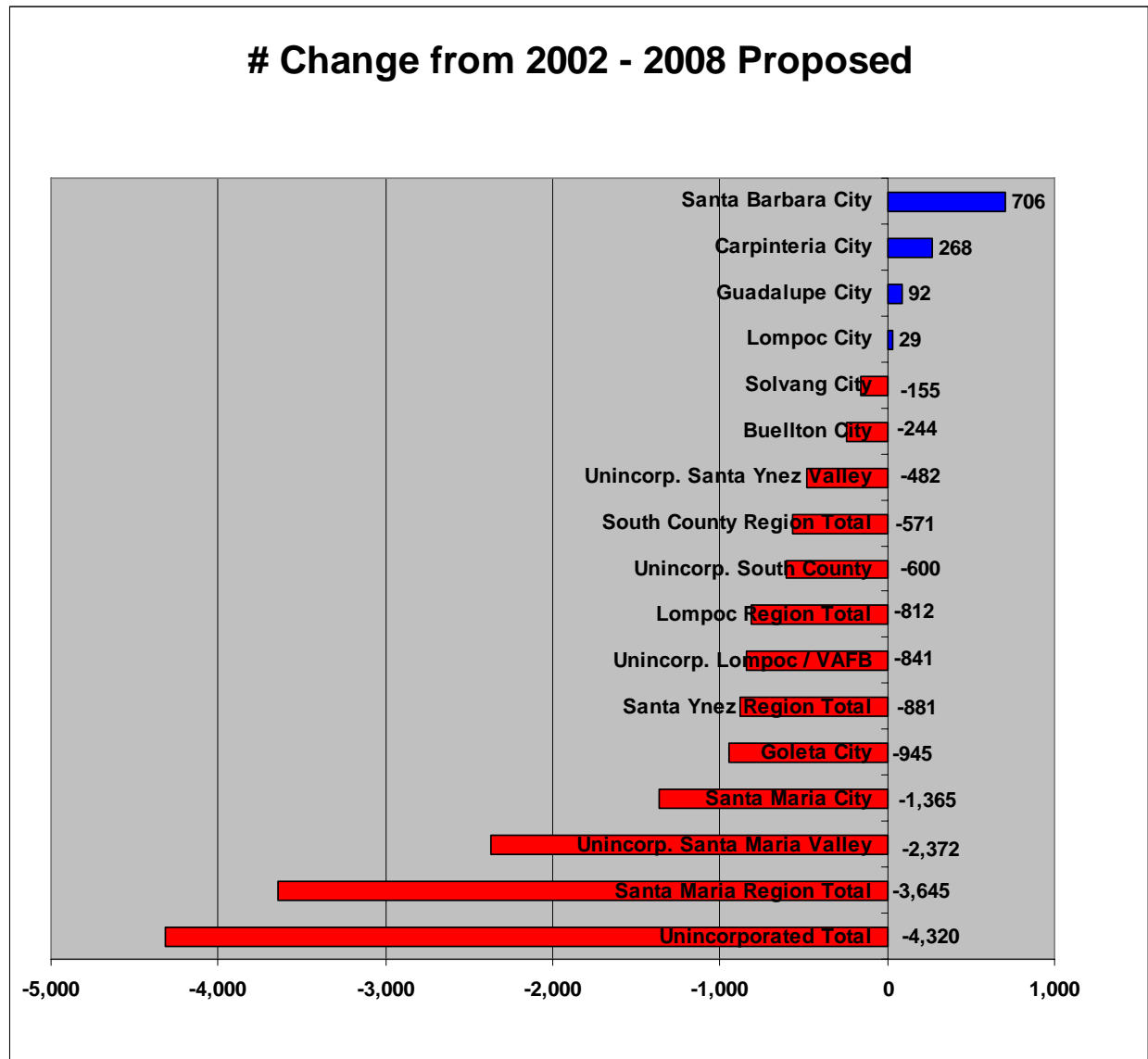
The RHNA “Number” for the City of Santa Barbara

- The TPAC proposed RHNA methodology assigns the City of Santa Barbara an allocation that is nearly **150% of remaining residential buildout** capacity in General Plan.
- No other city or unincorporated area is assigned anything even approaching buildout under current plans. Next closest: unincorporated Santa Ynez Valley (288 units RHNA / 470 units remaining to buildout) and Goleta City at 53% (1,355 units RHNA / 2,619 units remaining to buildout).

- Even though the Countywide total issued to us from HCD is nearly 6,000 units less than in 2002, this reduction in regional housing need is not fairly shared among jurisdictions with respect to existing residential zoning capacity or in comparison to the 2002 RHNA.
- From the chart below, it is clear that every jurisdiction has the land and zoning capacity already to meet the RHNA. Only the City of Santa Barbara, a built-out city with very little remaining vacant land is given a RHNA well over our existing General Plan capacities.
- As determined by the State, RHNA is about showing land inventory and zoning capacity and not necessarily building the units.

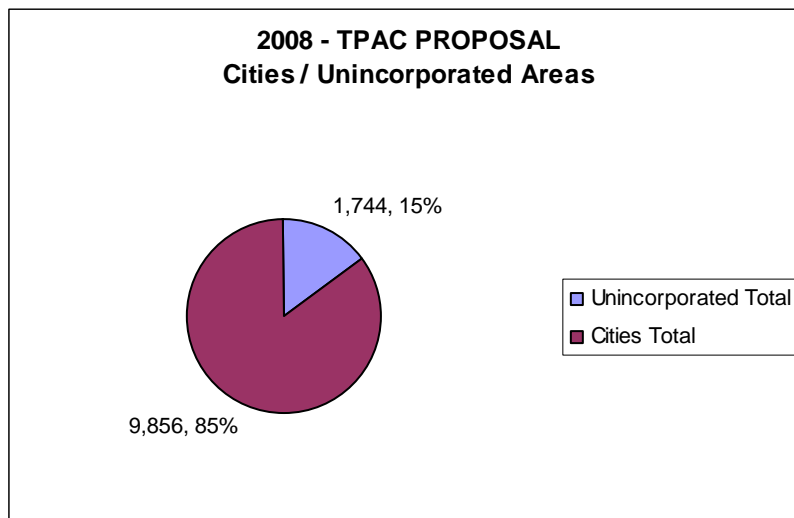


- In the TPAC proposal, every jurisdiction experiences a sizable reduction in units to plan for with the exception of 4 jurisdictions. The magnitude of increase is most significant for the cities of Santa Barbara and Carpinteria.

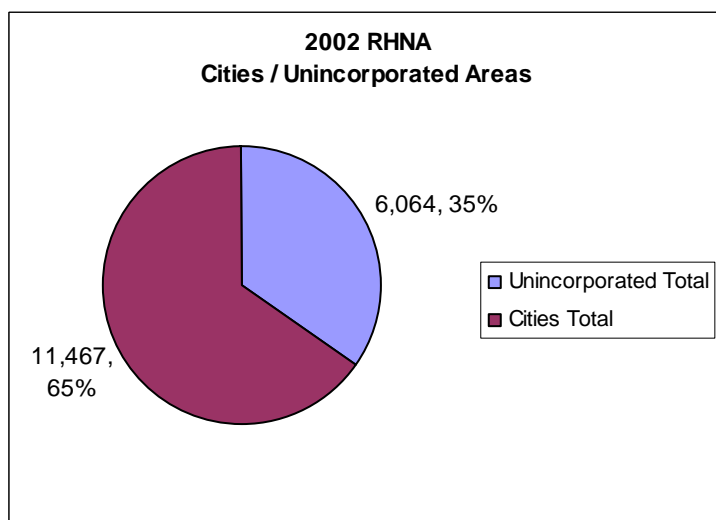


Significant Land Use / Regional Policy Issues

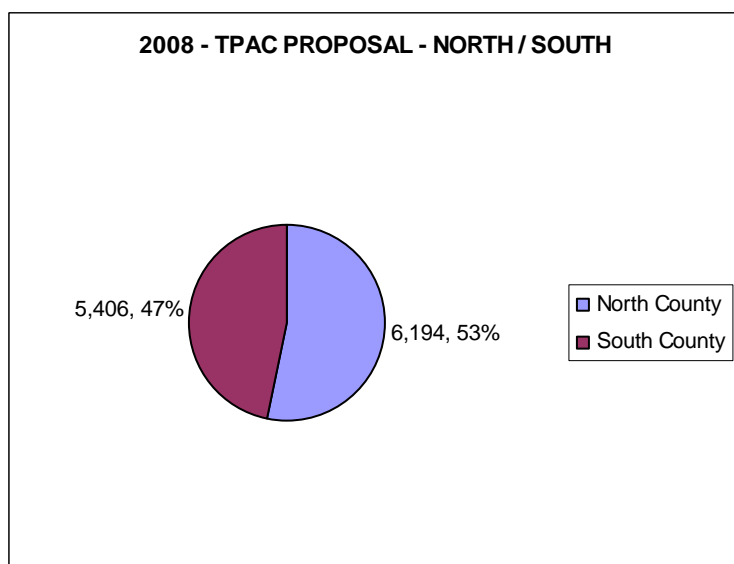
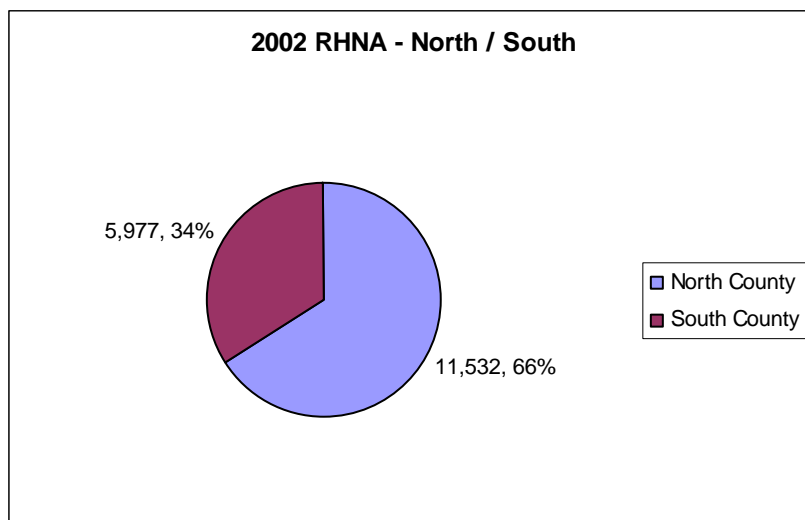
- The 2008 TPAC proposal assigns 15% of the RHNA units to unincorporated areas and 85% to cities.



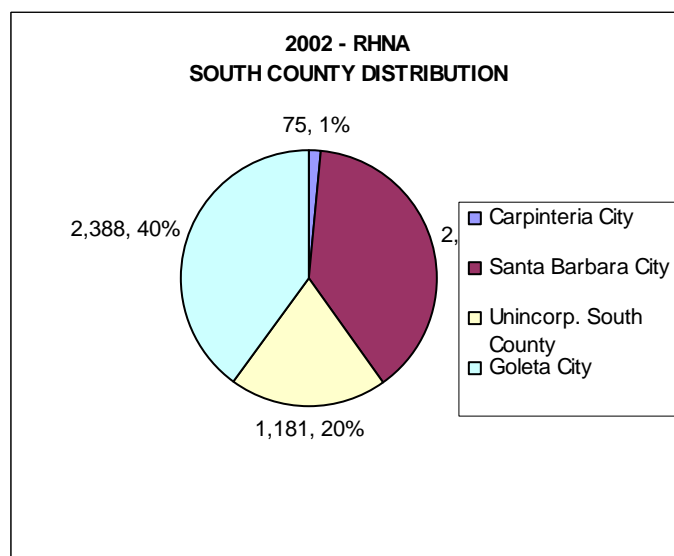
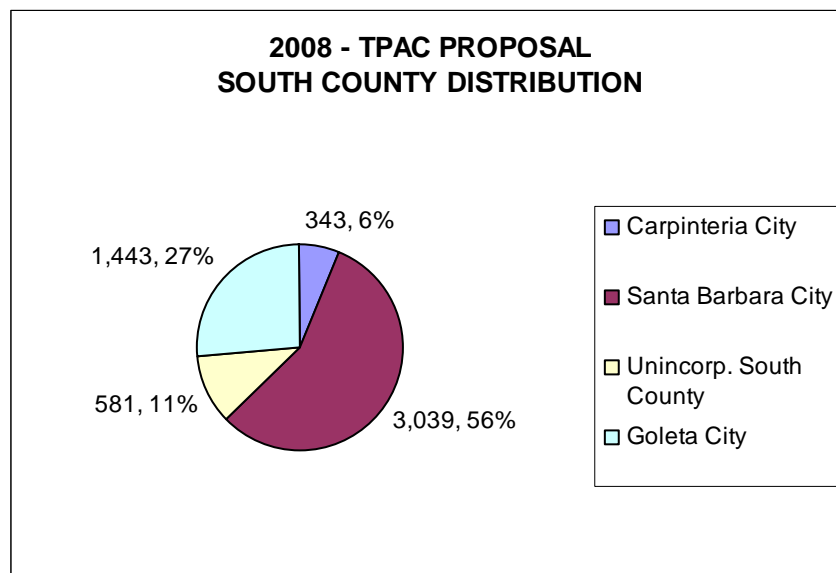
- The previous 2002 RHNA assigned 35% of the units to unincorporated areas throughout the County and 65% to cities.



- In 2002, the South County was assigned 34% of the RHNA. The TPAC proposal increases the South County allocation to 47% of the countywide RHNA total.



- The South County functions as one region. The housing needs of the South Coast workforce needs to be fairly shared by all jurisdictions on the South Coast, not just the cities.



Other Methodologies Considered

- At the March 12, 2008, TPAC meeting, there was a discussion between the cities of Carpinteria, Santa Barbara and Goleta about a distribution of the South County units that would be more reflective of past methodologies. The County made it clear that the County would not support that consideration, and the discussion was dropped.

- SBCAG Staff proposed a RHNA methodology that allocated above-moderate market rate RHNA units based on where housing is under construction or already approved. The remaining 6,844 units aimed at low and moderate income households would have been allocated based on the jobs/housing formula. Unfortunately, this option was not discussed by TPAC.